VZCZCXRO6143 OO RUEHGH RUEHNH DE RUEHKO #2282/01 1170542 ZNY CCCCC ZZH O 270542Z APR 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 1420 INFO RUEHBJ/AMEMBASSY BEIJING 1974 RUEHUL/AMEMBASSY SEOUL 8142 RUEHGP/AMEMBASSY SINGAPORE 6613 RUEHHK/AMCONSUL HONG KONG 5960 RUEHNH/AMCONSUL NAHA 8543 RUEHOK/AMCONSUL OSAKA KOBE 9111 RUEHGH/AMCONSUL SHANGHAI 0001 RUEHIN/AIT TAIPEI 5995 RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RHMFISS/COMUSJAPAN YOKOTA AB JA RHHMUNA/HQ USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002282

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E.O. 12958: DECL: 04/26/2031
TAGS: PREL PGOV ETRD CH TW JA
SUBJECT: JAPAN CAN RELY ON STRONG U.S. TIES, EAP/DAS KEITH
TELLS SCHOLAR

Classified By: CDA Joe Donovan. Reasons:1.4(b/d).

11. (C) Summary: During an April 26 discussion, visiting EAP/DAS James Keith told a Japanese scholar that Japan should approach its relations with China and Taiwan with more self-confidence, asserting that U.S. interests would always favor a strong U.S.-Japan alliance. Japan would benefit from cooperating with the United States on getting China and Taiwan to reduce their zero-sum competition for diplomatic space, he averred. End Summary.

## U.S.-Japan-China Relations

- 12. (C) In a wide-ranging April 26 discussion of relations among the United States, Japan, China and Taiwan, National Institute for Defense Studies (NIDS) Senior Research Fellow Yasuhiro Matsuda told EAP Deputy Assistant Secretary James Keith that the Koizumi administration's lack of a well-thought-out policy on relations with Asia had harmed Japanese interests. Japan's right-wing minority has become more vocal on anti-China nationalism, influencing the younger generation and making it more difficult for Tokyo to improve relations with Beijing. He said many Japanese believe China is seeking to use the United States to pressure Japan.
- 13. (C) DAS Keith stated that the United States has long made clear to the PRC that it is important to U.S. interests that China work with Japan on reducing bilateral tensions and improving the relationship. Beijing does not attempt to use Washington to pressure Japan, he averred, because the Chinese understand that the U.S.-Japan alliance will always take precedence over U.S.-China relations.

## Cross-Strait Relations

¶4. (C) Turning to cross-Strait relations, Matsuda stated that Japan's national interests benefited from: 1) stable cross-Strait relations; 2) increased cross-Strait economic integration; and 3) continued de facto separation of Taiwan and mainland China. However, he asserted, many in Japan believed that Taiwan's rapidly growing economic integration with China would lead to political unification. Not only would this create a stronger China, but, they believed, it would also leave Japan isolated in the region. Moreover, as Japan has had little contact with the KMT since former President Lee Teng-hui's departure from the party, Japan is

uncertain as to what steps KMT Chairman and Taipei Mayor Ma Ying-jeou might take on cross-Strait relations should he be elected president of Taiwan in 2008. If Taiwan were to reach an accommodation with the Mainland, many in Japan believe the United States would strengthen its relations with the PRC at Japan's expense. Consequently, Matsuda observed, although he does not subscribe to the view himself, many in Japan believe Japanese interests are served by friction in U.S.-China relations.

- (C) DAS Keith stated that he disagreed with the underlying premise, saying that Japan should have more self-confidence in its relations with both the United States and China. China will continue to modernize and grow economically, whether it reunites with Taiwan or not, but Japan has many real advantages over China because of its democracy, market-based economy and strong alliance with the United States. Moreover, U.S.-China relations can never be compared to the close relationship that the United States maintains with Japan. Rather than looking for points of friction between the United States and China, Japan may rest assured that Washington will always be closer to Tokyo than Beijing, and that the United States will not let China take Taiwan by force. Therefore, it would benefit both Japan and the United States to work together on helping Taiwan take a long-term perspective on its prosperity.
- 16. (C) The zero-sum competition for diplomatic space between Taiwan and China is interfering with the interests of the United States as well as Japan, DAS Keith noted. For instance, checkbook diplomacy by Taiwan and China is contributing to corruption, undermining U.S. and others' efforts to promote good governance in the Pacific and in

TOKYO 00002282 002 OF 002

Latin America and the Caribbean. The United States is committed to Taiwan's democracy, he asserted, stating that Japan and the United States should cooperate in promoting Taiwan's democracy in ways that do not engage the zero-sum struggle between the PRC and Taiwan over sovereignty or security. Over time, China may recognize that its long-term interests are harmed by its diplomatic competition with Taiwan. It would be helpful if Japan conveyed the message to China that it needs to undertake a dialogue with the elected leadership on Taiwan and to give the Taiwan people more space in the international environment, he stated.

17. (U) DAS Keith has cleared this message. DONOVAN